



# GENERAL ASSEMBLY

## COMMONWEALTH OF KENTUCKY

### 2015 REGULAR SESSION

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HOUSE BILL NO. 149

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FRIDAY, FEBRUARY 27, 2015

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The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED  
DATE March 30, 2015  
3:57pm  
ALISON LUNDERGAN GRIMES  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY R. Allen

1 AN ACT relating to the continuing education of real estate licensees.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 324.010 is amended to read as follows:

4 As used in this chapter, unless the context requires otherwise:

5 (1) "Real estate brokerage" means a single, multiple, or continuing act of dealing in  
6 time shares or options, selling or offering for sale, buying or offering to buy,  
7 negotiating the purchase, sale, or exchange of real estate, engaging in property  
8 management, leasing or offering to lease, renting or offering for rent, or referring or  
9 offering to refer for the purpose of securing prospects, any real estate or the  
10 improvements thereon for others for a fee, compensation, or other valuable  
11 consideration;

12 (2) "Commission" means the Kentucky Real Estate Commission;

13 (3) "Net listing" means a listing agreement that provides for a stipulated net price to the  
14 owner and the excess over the stipulated net price to be received by the licensee as  
15 the fee compensation or other valuable consideration;

16 (4) "Principal broker" means a person licensed as a broker under KRS 324.046 who, in  
17 addition to performing acts of real estate brokerage or transactions comprehended  
18 by that definition, is the single broker responsible for the operation of the company  
19 with which he or she is associated;

20 (5) "Real estate" means real estate in its ordinary meaning and includes timeshares,  
21 options, leaseholds, and other interests less than leaseholds;

22 (6) "Sales associate" means any person licensed in accordance with KRS 324.046(2)  
23 that is affiliated with a Kentucky-licensed principal broker and who, when engaging  
24 in real estate brokerage, does so under the supervision of the principal broker;

25 (7) "Approved real estate school" means:

26 (a) A school that has been given a certificate of approval by the Kentucky  
27 Commission on Proprietary Education or other regulatory bodies that exercise

1 jurisdiction over accreditation and approval and the Kentucky Real Estate  
2 Commission. The school shall also be currently in good standing with both the  
3 Kentucky Commission on Proprietary Education or other regulatory bodies  
4 that exercise jurisdiction over accreditation and approval and the commission;  
5 or

6 (b) A National Association of Realtors recognized program which has been  
7 reviewed by the Kentucky Real Estate Commission and deemed an approved  
8 real estate school;

9 (8) "Accredited institution" means a college or university accredited by appropriately  
10 recognized educational associations or chartered and licensed in Kentucky that  
11 grants credits toward a program for either an associate, baccalaureate, graduate, or  
12 professional degree;

13 (9) "Property management" means the overall management of real property for others  
14 for a fee, compensation, or other valuable consideration, and may include the  
15 marketing of property, the leasing of property, collecting rental payments on the  
16 property, payment of notes, mortgages, and other debts on the property,  
17 coordinating maintenance for the property, remitting funds and accounting  
18 statements to the owner, and other activities that the commission may determine by  
19 administrative regulation;

20 (10) "Broker" means any person who is licensed under KRS 324.046(1) and performs  
21 acts of real estate brokerage;

22 (11) "Designated manager" means a licensed sales associate or broker who manages a  
23 main or branch office for the principal broker, at the principal broker's direction,  
24 and has managing authority over the activities of the sales associates at that office;

25 (12) "Regular employee" means an employee who works for an employer, whose total  
26 compensation is subject to withholding of federal and state taxes and FICA  
27 payments, and who receives from the employer a fixed salary governed by federal

- 1 wage guidelines that is not affected by specific real estate transactions;
- 2 (13) "Referral fee" means consideration of any kind paid or demanded for the referral of  
3 a potential or actual buyer, seller, lessor, or lessee of real estate;
- 4 (14) "Designated agency" means a form of agency relationship that exists when a  
5 principal broker, in accordance with KRS 324.121, identifies different licensees in  
6 the same real estate brokerage firm to separately represent more than one (1) party  
7 in the same real estate transaction;
- 8 (15) "Affiliation" means the relationship agreed upon between a licensee and a principal  
9 broker and reported to the commission, where the licensee places his or her license  
10 with the principal broker for supervision of the licensee's real estate brokerage  
11 activity;
- 12 (16) "Canceled" means the status of a license when a licensee fails to renew a license,  
13 writes the commission a check for fees that is not honored, fails to re-affiliate with a  
14 principal broker, or fails to complete requirements for continuing or post-license  
15 education;
- 16 (17) "Suspended" means the status of a license when disciplinary action has been  
17 ordered against a licensee that prohibits the brokerage of real estate for a specific  
18 period of time; ~~and~~
- 19 (18) "Revoked" means the status of a license when disciplinary action has been ordered  
20 that removes the licensee's legal authority to broker real estate for a minimum of  
21 five (5) years; and
- 22 (19) "Post-license education" means the forty-eight (48) hours of commission-  
23 approved education required within two (2) years of receiving or activating an  
24 initial sales associate license.
- 25 ➔Section 2. KRS 324.085 is amended to read as follows:
- 26 (1) All actively licensed agents except those licensees exempt under KRS 324.046(5),  
27 shall successfully complete six (6) classroom or online hours of continuing

1 education each year. Three (3) of the six (6) hours shall be in real estate law. ~~[The~~  
 2 ~~commission shall promulgate administrative regulations to establish procedures for~~  
 3 ~~implementing this requirement.]~~

4 (2) *A licensee who is issued an initial sales associate license after the effective date of*  
 5 *this Act shall complete forty-eight (48) classroom or online hours of commission-*  
 6 *approved post-license education:*

7 *(a) Provided by one (1) or a combination of the following:*

8 *1. An accredited institution; or*

9 *2. A commission-approved:*

10 *a. Real estate school; or*

11 *b. Broker-affiliated training program;*

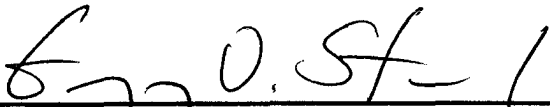
12 *(b) Within two (2) years of receiving or activating his or her license unless*  
 13 *extended by the commission for good cause shown.*


14 (3) *The license held by any licensee failing to complete his or her sales associate*  
 15 *post-license education requirements in accordance with subsection (2) of this*  
 16 *section shall be automatically canceled, in accordance with administrative*  
 17 *regulations establishing compliance and delinquency procedures.*

18 (4) *The commission shall promulgate administrative regulations to establish*  
 19 *procedures for implementing the requirements in this section.*

20 (5) In order to qualify to teach continuing education *or post-license* courses, all  
 21 continuing education *and post-license* instructors shall maintain a minimum rating  
 22 as prescribed by the commission by the promulgation of administrative regulations.

23 ➔ Section 3. This Act takes effect January 1, 2016.

  
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Speaker of House of Representatives

  
\_\_\_\_\_  
President of Senate

Attest:   
\_\_\_\_\_  
Chief Clerk of House of Representatives

Approved   
\_\_\_\_\_  
Governor

Date 3/30/15